## **REMARKS**

Applicants request favorable reconsideration and allowance of this application in view of the foregoing amendments and the following remarks.

Claims 1-14 and 24-38 are pending in the present application, with Claims 1, 24, 37 and 38 being the independent claims. Claims 15-23 have been cancelled without prejudice to or disclaimer of the subject matter presented therein.

New Claims 37 and 38 have been added, and Claims 1 and 24 have been amended. Support for these amendments can be found in the original specification, and therefore no new matter has been added.

Applicants appreciate the courtesies extended by Examiner Couso in granting and conducting an interview with Applicants' representative on July 18, 2006. A statement regarding the substance of the interview is incorporated into the discussion of the outstanding rejections below.

Claims 1-14 and 24-36 have been rejected under 35 U.S. C. 102(e) as being anticipated by U.S. Patent No. 6,122,403 (Rhoads). Claims 10 and 35 have been rejected under Section 103(a) as being unpatentable over Rhoads in view of U.S. Patent No. 6,334,721 (Horigane). Applicants respectfully traverse these rejections for the reasons discussed below.

As recited in independent Claim 1, the present invention includes the features of (i) a first information extraction step of extracting first information from an image, (ii) a determination step of determining whether or not first information extracted in a first information extraction step includes a registration signal used to correct the geometrical distortion of an image, and (iii) a second information extraction step of extracting digital watermark information from the image, wherein the second information extraction step is

performed only if the determination step determines that the first information includes the registration signal. With these features, the digital watermark extraction process can be omitted if no registration signal is extracted, and processing speed can be increased.

Applicants submit that the cited art fails to disclose or suggest the above-mentioned combination of features.

During the personal interview, the Examiner indicated that she found the first information extraction step as previously presented to be unclear because it suggested that the first information always included a registration signal. In view of the Examiner's comments, as proposed during the interview, Claim 1 has been amended so that the first information extracting step merely recites extracting first information, and the determination step now recites determining whether the first information includes a registrations signal.

As explained by Applicants' representative, Rhoads discloses that once a "candidate registration" signal is found, a reading process is performed to read a universal code signature consisting of a 44 bit identification code and a 20 bit hash code for the 44 bit identification code. Those bits indicate whether there is a registered image or not. As Therefore, as Applicants' representative pointed out during the interview, "candidate registration" signal in Rhoads is not a registration signal, but instead it is merely a candidate until the subsequent reading of the universal signature code confirms whether a registration signal is present. Rhoads therefore does not determine whether or not to perform an extraction process based on whether a registration signal was extracted, but instead performs the extraction to confirm whether a registration signal is present. In other words, the extraction of the universal signature code in Rhoads is part of the determination step used to determined, i.e., confirm, whether a registration signal is present.

Accordingly, Applicants submit that <u>Rhoads</u> does not disclose or suggest at least the feature recited in Claim 1 of a second information extraction step of extracting digital watermark information from an image, wherein the second information extraction step is performed only if a determination step determines that extracted first information includes a registration signal used to correct the geometrical distortion of the image.

The Examiner also suggested during the interview that Claim 1 would read on a reference (if one were found) that merely determines whether a registration signal is present and stops processing if the registration signal is not found. In support of this position, the Examiner pointed out that the digital watermark extraction process is not performed if the registration signal is not present and therefore the claimed method would simply stop processing if no registration signal was found. Applicants respectfully disagree with this position. It is axiomatic in patent law that a reference must disclose each and every limitation of a claim in order to anticipate it. It is not a question of whether a reference performs all of the claimed steps that might be executed in a particular situation. Instead, the reference must meet all claim limitations. Thus, in order to anticipate Claim 1, Applicants submit that a reference must disclose a second information extraction step of extracting digital watermark information that is performed only if a determination step determines that first information extracted in a first information extraction step includes a registration signal used to correct the geometrical distortion of the image.

For the reasons discussed above, Applicants submit that Claim 1 is patentable over the art of record. New Claim 37 is an apparatus claim corresponding to Claim 1, and Applicants submit that Claim 37 is patentable for reasons similar to Claim 1.

With respect to Claim 24, that claim recites extracting first information from an image, determining whether the first information indicates that the image is a specific

image, and extracting digital watermark information from the image only if it is determined that the first information indicates that the image is a specific image. Applicants submit that the cited art fails to disclose or suggest this combination of features for reasons similar to Claim 1.

New Claim 38 recites, *inter alia*, the features of correcting the geometrical distortion of an image based on a registration signal if it is determined that extracted first information includes a registration signal and extracting digital watermark information from the corrected image if it is determined that the extracted first information includes a registration signal. Applicants submit that the cited art also fails to disclose or suggest at least these features.

In view of the foregoing, Applicants submit that all of the independent claims are patentable over the art of record. The dependent claims are patentable for at least the same reasons as the independent claims, as well as for the additional features they recite.

For the foregoing reasons, Applicants submit that this application is in condition for allowance. Favorable reconsideration, withdrawal of the outstanding rejections, and an early Notice of Allowance are requested.

Applicants' undersigned attorney may be reached in our Washington, D.C. office by telephone at (202) 530-1010. All correspondence should be directed to our below-listed address.

Respectfully submitted,

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